

FEASIBILITY STUDY ISSUES

When the feasibility study raises questions about the underlying assumptions, HUD's review can be delayed considerably while the consultant prepares answers. A study that addresses the items below contributes to a faster review (you can use this as a checklist).

MARKET SHARE AND COMPETITION

- ☐ Give future projected market share
- ☐ If market share is expected to increase, show at whose expense, reason for the increase?
- ☐ Give future discharges and market share for all service area competitors
- ☐ Market share by major product line is helpful
- ☐ If market share at the Hospital has declined over the past few years, explain why. Is this a one-time event, or are there competitive issues that have changed market dynamics?
- ☐ Spend more time on competitors. What are their future capital and strategic plans? What are their strengths and weaknesses?

VOLUMES

- ☐ Provide projected total inpatient volumes for the service area over the projection period
- ☐ Explain the source of future volume increase projections...new services, new docs, increased use rates, population increases, or market share increases?
- ☐ Explain the impact of each factor on future volumes
- ☐ Explain why volumes are projected to increase the year of project completion
- ☐ For proposed new services, or physician recruitment initiatives, give the projected volume impacts
- ☐ Provide ER and outpatient services volumes for the projection period
- ☐ Break out surgical services, and specialty services, if possible. The med/surg category is too broad and not very useful

REVENUE

- ☐ Explain why total revenue will increase...Volume increases (described above), rate increases, combination of both?

PHYSICIANS (A KEY DRIVER OF VOLUMES AND COST)

- ☐ Physician support for hospital, project, administration
- ☐ Describe physician recruitment plans and effect on volumes. Include ease or difficulty of physician recruitment, Employment aid guarantees
- ☐ Stability of staff can be an important factor
- ☐ Local and regional clinics, joint ventures, or proposed ambulatory surgery/radiology center
- ☐ Referral patterns